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瑞安房地產
SHUI ON LAND

Shui On Land Limited
瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 272)

ADOPTION OF SHARE AWARD SCHEMES

GRANT OF AWARDS

ISSUE OF NEW SHARES PURSUANT TO EMPLOYEE SHARE AWARD SCHEME AND UNDER THE GENERAL MANDATE

AND

CONNECTED TRANSACTION

ISSUE OF NEW SHARES PURSUANT TO CONNECTED EMPLOYEE SHARE AWARD SCHEME

ADOPTION OF SHARE AWARD SCHEMES

The Board is pleased to announce that it has adopted the Employee Share Award Scheme and the Connected Employee Share Award Scheme on 1 April 2015. Pursuant to the terms of the Schemes, the Remuneration Committee may, from time to time, at its absolute discretion, select Eligible Persons to participate in the Schemes as Selected Participants, subject to the terms and conditions set out in the Schemes.

Pursuant to the Schemes, Awards will be satisfied by (i) Shares to be acquired by the Trustee from the market, or (ii) new Shares to be allotted and issued to the Trustee by the Company, the costs of which will be borne by the Company, and will be held on trust by the Trustee for the Selected Participants before vesting.

* For identification purpose only.

The total number of Shares to be awarded under the Employee Share Award Scheme and the Connected Employee Share Award Scheme shall not exceed 5% of the total number of issued Shares from time to time. The maximum number of Shares which may be granted to a Selected Participant but unvested under each of the Schemes shall not exceed 1% of the total number of issued Shares from time to time.

The Schemes do not constitute share option schemes within the meaning of Chapter 17 of the Listing Rules. No shareholders' approval is required to adopt the Schemes.

THE GRANTS AND THE PROPOSED ISSUE

On 1 April 2015, the Board resolved to grant Awards for a total of 17,149,000 Award Shares (which, depending on the performance of the Company, may be adjusted to a maximum of 42,872,500 Award Shares) to 15 Eligible Persons (who are connected persons of the Company) in accordance with the terms of the Connected Employee Share Award Scheme. The Board has further resolved to satisfy such Awards by the allotment and issue of new Shares to the Trustee on trust for the Connected Grantees, conditional upon the grant of approval by the Independent Shareholders and the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such new Shares.

On the same day, the Board resolved to grant Awards for a total of 7,705,000 Award Shares (which, depending on the Company's performance, may be adjusted to a maximum of 19,262,500 Award Shares) to 13 Eligible Persons (who are independent of the Company and its connected persons) pursuant to the terms of the Employee Share Award Scheme and to satisfy such Awards by the allotment and issue of new Shares to the Trustee on trust for the Employee Grantees in accordance with the terms of the Employee Share Award Scheme and under the General Mandate, conditional upon the grant of approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such new Shares.

LISTING RULES IMPLICATIONS

Since each of the Connected Grantees are connected persons of the Company by virtue of being a director of member(s) of the Group, the proposed grant of Award Shares to them (i.e. the Proposed Connected Issue) constitute connected transactions of the Company under the Chapter 14A of the Listing Rules which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, a closely allied group of Shareholders, in aggregate holds 4,583,545,484 Shares, representing approximately 57.28% in the issued Shares, at the date of this announcement.

So far as the Company is aware, none of the Shareholders is materially interested in the Proposed Connected Issue and, as such, no Shareholder is required to abstain from voting if a general meeting of the Company was convened to approve the Proposed Connected Issue. Written approval by Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, a closely allied group of Shareholders who collectively hold in aggregate 4,583,545,484 Shares (representing approximately 57.28% in the issued Shares) at the date of this announcement, has been obtained by the Company for the purposes of approving the Proposed Connected Issue in lieu of an approval from the Shareholders at a Shareholders' meeting. Pursuant to Rule 14A.37 of the Listing Rules, an application has been made by the Company to the Stock Exchange for a waiver from the requirement for the Company to convene a Shareholders' meeting, on the basis that the Proposed Connected Issue has been approved by the written approval of a closely allied group of Shareholders.

The Independent Board Committee has been established to give recommendations to the Independent Shareholders on the Proposed Connected Issue. Investec has been appointed by the Company as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. A circular containing, among other things, (i) further details of the Proposed Connected Issue; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice from Investec to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the extraordinary general meeting of the Company to be held for considering and approving, if appropriate, the Proposed Connected Issue (if required), will be despatched to the Shareholders on or before 27 April 2015.

The Board hereby announces that it has adopted the Employee Share Award Scheme and the Connected Employee Share Award Scheme on the Adoption Date. The Schemes will operate alongside the share option scheme of the Company adopted in 2007 and provide an additional means for the Company to incentivize employees and to retain key senior management. The Board is implementing a long term incentive grant proposal for 2015, which is expected to include the grant of share options under the Company's share option scheme and the grant of Awards under the Schemes to employees of the Group (which is expected to include employees who are directors of member(s) of the Group) as set out in the section headed "Grant and issue of Award Shares pursuant to the Schemes" of this announcement. Further announcements on grants of share options under the Company's share option scheme will be made in accordance with the applicable requirements of the Listing Rules, where required, when the grants are made.

SUMMARY OF THE SCHEMES

The terms of the Connected Employee Share Award Scheme and the terms of Employee Share Award Scheme are substantially similar. The material terms of the two Schemes are summarised as follows:

Purposes

The purposes of the Schemes are (i) to promote significant and integrated growth in the coming years through financial achievement, attainment of project milestones and ensuring potential for future growth; (ii) to closely align executive interests with the successful transformation of the Company; (iii) to support sustainable development of the Company; and (iv) to provide a performance-driven long term incentive award to motivate and retain key senior management.

Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the Schemes, the Schemes shall be valid and effective for a term of 16 years commencing on the Adoption Date.

Administration

The Schemes shall be subject to the administration of the Remuneration Committee and the Trustee in accordance with the terms of the Schemes and the terms of the Trust Deeds. The human resources department of the Company shall assist the Remuneration Committee in relation to the documentations and administrative procedural matters of the Schemes.

Grant of Awards

The Remuneration Committee may, from time to time, at its absolute discretion select Eligible Persons to participate in the Schemes as Selected Participants, subject to the terms and conditions set out in the Schemes. In determining the Selected Participants, the Remuneration Committee shall take into consideration matters including, but without limitation, the present and expected contribution of the relevant Selected Participants to the Group.

No Award may be made after inside information has come to the knowledge of the Company until the information has been announced in accordance with the Listing Rules. In particular, but only insofar as and for so long as the Listing Rules require, no Award may be made during the period commencing one month immediately before the earlier of: (a) the date of the Board meeting (as such date is first notified to the Stock Exchange) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to publish its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

Pursuant to the Schemes, the costs and expenses for acquiring Award Shares will be borne by the Company, and the Award Shares will be held on trust by the Trustee for the Selected Participants before vesting.

Settlement of Awards

Subject to the restrictions set forth in the terms of the Schemes (as summarised below), the Company shall pay to the Trustee monies and give direction(s) or a recommendation to the Trustee to apply such monies and/or such other net amount of cash derived from Shares held as part of the funds of the Trusts to acquire Shares on the market (the “**Purchased Shares**”) and/or allot and issue Shares (the “**Subscribed Shares**”) to the Trustee to satisfy any Award made to Selected Participants, provided that Awards made:

- (a) to Selected Participants who are not connected persons of the Company shall only be satisfied by Subscribed Shares to the extent that a general mandate is available for the Company to allot new Shares, or a specific approval by Shareholders has been obtained for the issue of Award Shares to such Selected Participants in accordance with all applicable laws, rules and regulations (including but not limited to the Listing Rules); and

- (b) to Selected Participants who are connected persons of the Company shall not be satisfied by Subscribed Shares, unless the Company has, where required, obtained the approval by Shareholders for the issue of Award Shares to such Selected Participants in accordance with all applicable laws, rules and regulations (including but not limited to the Listing Rules).

The Trustee shall not deal in Shares at any time if the Trustee has received notice in writing from the Company that any such dealing at that time would cause the Trustee, the Company or any member of the Group, a director, officer or employee of the Company or any Group Company to be in breach of the provisions of any applicable laws, rules or regulations (including the Listing Rules).

Vesting of Award

Subject to the terms of the Schemes, the Remuneration Committee shall determine from time to time such vesting conditions or vesting periods for the Award Shares to be vested. Unless otherwise determined by the Board at its discretion, the Award Shares shall vest in accordance with the conditions and timetable as set out in the relevant award letter issued to the Selected Participant at the time of grant.

Upon satisfaction of applicable vesting criteria and conditions, the Company shall issue a vesting notice to the Selected Participants for the vesting of Awards and direct the Trustee to transfer and release the relevant Award Shares from the Trusts to or for the benefit of the relevant Selected Participant.

Where a Selected Participant who is not a connected person of the Company on the date on which the Award was granted to him/her subsequently becomes a connected person of the Company prior to vesting of the Award, vesting of the Award will be subject to compliance by the Company of requirements under Chapter 14A of the Listing Rules, where applicable, and the Remuneration Committee shall have the absolute discretion to alter the vesting of or terminate such Award where such requirements would, in the opinion of the Remuneration Committee, be burdensome on the Company.

Pursuant to the terms of the Schemes, any stamp duty or other transaction fees, direct costs and expenses arising on vesting and transfer of the Award Shares to or for the benefit of the Selected Participants shall be borne by the Company, save that transaction fees and expenses payable by the Selected Participant as transferee shall be borne by the Selected Participant.

Forfeiture or lapse of Award

Any outstanding Award granted under the Schemes but not yet vested shall be forfeited or lapse with immediate effect if any of the following occurs on or before the relevant Vesting Date:

- (i) the Selected Participant ceases to be an Eligible Person or dies at any time prior to the Vesting Date, unless the Remuneration Committee determines otherwise at its absolute discretion;
- (ii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; or
- (iii) the Selected Participant fails to satisfy any condition as set out in the award letter.

Dividends

A Selected Participant will have no right to any dividend prior to the vesting and transfer of the Award Shares, which shall be retained by the Trustee for the benefit of the Schemes.

In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive dividends wholly in form of cash, and such cash dividend received shall be held as funds of the Trust.

Voting rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trusts.

Transferability and other rights to Award Shares

Any Award granted hereunder but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

Change in control

If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the outstanding Awards not yet vested and that are granted (whether conditionally or unconditionally) to Selected Participants shall:

- (i) where the number of Award Shares to be vested has been ascertained, all such Award Shares shall vest; or
- (ii) where the number of Award Shares to be vested has yet to be ascertained, the Award shall vest in such number as the Remuneration Committee may in its absolute discretion determine.

Scheme Limit

The Company shall not make any further grant of Award which will result in the total number of Award Shares granted under the Schemes to exceed 5% of the total number of issued Shares from time to time.

The maximum number of Award Shares which may be granted to a Selected Participant but unvested under either of the Schemes shall not exceed 1% of the total number of issued Shares from time to time.

Termination

The Schemes shall terminate on the earlier of the 16th anniversary date of the Adoption Date, and such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the Schemes.

On the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made or can be made under the Schemes (whichever is the earlier), the Trustee shall sell all the Shares remaining in the Trusts within a reasonable time period as agreed between the Trustee and the Company, and remit all cash and net proceeds of such sale and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deeds) to the Company. For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than the proceeds in the sale of such Shares).

The Schemes do not constitute share option schemes within the meaning of Chapter 17 of the Listing Rules. No shareholders' approval is required to adopt the Schemes.

GRANT AND ISSUE OF AWARD SHARES PURSUANT TO THE SCHEMES

With a view to provide incentive to senior management of the Company towards the achievement of specific performance targets of a business plan adopted by the Company for the Performance Period, the Board has resolved to make grants of Award Shares pursuant to the Connected Employee Share Award Scheme and the Employee Share Award Scheme as follows:

(A) Grant of Award Shares pursuant to the Connected Employee Share Award Scheme

On 1 April 2015, the Board resolved to grant Awards for a total of 17,149,000 Award Shares (which, depending on the Company's performance of the Company, may be adjusted to a maximum of 42,872,500 Award Shares) to 15 Eligible Persons (who are connected persons of the Company)(the "**Connected Grantees**") in accordance with the terms of the Connected Employee Share Award Scheme. The Board has further resolved to satisfy such Awards by the allotment and issue of new Shares to the Trustee on trust for the Connected Grantees, conditional upon the approval by the Independent Shareholders and the grant of approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such new Shares. For illustrative purposes only, assuming that the maximum number of Award Shares will be vested on the Connected Grantees, details of the Connected Grantees and the maximum number of Award Shares to be vested on them are set out as follows:

Name of Connected Grantee	Relationship with the Group	Maximum number of Award Shares to be vested	Approximate percentage of the total issued Shares as at the date of this announcement (%)
Mr. Daniel Yim Keung WAN	Director of the Company	8,560,000	0.107
Mr. Philip Kun To WONG	Director of the Company	5,497,500	0.069
Mr. TANG Ka Wah	Director of subsidiaries of the Company	3,352,500	0.042

Name of Connected Grantee	Relationship with the Group	Maximum number of Award Shares to be vested	Approximate percentage of the total issued Shares as at the date of this announcement (%)
Mr. Charles Wing Ming CHAN	Director of subsidiaries of the Company	3,352,500	0.042
Ms. Jessica Ying WANG	Director of subsidiaries of the Company	3,352,500	0.042
Mr. Matthew Qing QUO	Director of subsidiaries of the Company	3,352,500	0.042
Mr. Willie Kim Lun UY	Director of subsidiaries of the Company	1,887,500	0.024
Mr. Bryan Kin Wang CHAN	Director of subsidiaries of the Company	1,887,500	0.024
Mr. Timmy Tat Man LEUNG	Director of subsidiaries of the Company	1,887,500	0.024
Mr. Adam Kim Fung LI	Director of subsidiaries of the Company	1,887,500	0.024
Mr. Dixon MAN	Director of subsidiaries of the Company	1,887,500	0.024
Mr. Allan Bin ZHANG	Director of subsidiaries of the Company	1,887,500	0.024
Ms. Sarah Ying Xian ZHANG	Director of subsidiaries of the Company	1,360,000	0.017
Mr. Alfred Jun Ao WU	Director of subsidiaries of the Company	1,360,000	0.017
Mr. Frankie Kwok Fai LAI	Director of subsidiaries of the Company	1,360,000	0.017
		<hr/>	<hr/>
		Total: <u>42,872,500</u>	<u>0.536%</u>

The number of Award Shares granted to each Connected Grantee is determined with reference to the relevant Connected Grantee's position within the Group.

The said 42,872,500 new Shares shall be allotted and issued at par value to the Trustee by the Company. The Company will bear the cost of such issue and no new funds will be raised.

In the event that the approval by the Independent Shareholders or the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares to be issued is not obtained, the Company will provide funds to the Trustee for purchase of Shares on the market to satisfy Awards granted to the Connected Grantees.

Vesting Conditions

The Award Shares shall vest on the Connected Grantees based on the Group's performance and the relevant Connected Grantee's performance during the Performance Period in the following proportion:

- (a) depending on the role and responsibilities of the relevant Connected Grantee, 50% to 100% of the Award Shares shall vest according to the overall achievement of the Company's corporate business plan for the Performance Period, which shall be based on Group's average annual appraisal results by the end of the Performance Period with reference to the key performance measures and targets as the Board may determine from time to time.
- (b) depending on the role and responsibilities of the relevant Connected Grantee, 0% to 50% of the Award Shares shall vest according to relevant Connected Grantee's average annual appraisal performance level under the Company's appraisal system by the end of the Performance Period.

Vesting of Award Shares under the two limbs above are separate and independent of each other.

The final number of Award Shares (the "**Final Award Shares**") to be vested on the Connected Grantees is further subject to adjustment by the Remuneration Committee at its absolute discretion, based on the Company's relative performance after taking into account, among other things, the average annual growth of the Group over the Performance Period and the Company's ranking among peer companies.

Vesting Schedule

Upon fulfilment of the vesting conditions during the Performance Period and the determination of the number of Final Award Shares to be vested by the Remuneration Committee, the Final Award Shares shall vest on the Connected Grantees according to the following schedule:

Percentage of Final Award Shares to be vested	Date of vesting
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50%	on or before 30 June 2017 (after the publication of 2016 annual results by the Company)
25%	2 January 2018
25%	2 January 2019

Subject to the approval by the Independent Shareholders for the Proposed Connected Issue, application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the 42,872,500 new Shares which may be issued and allotted to the Trustee on trust for the Connected Grantees.

(B) Grant and issue of Award Shares pursuant to the Employee Share Award Scheme and the General Mandate

On 1 April 2015, the Board resolved to grant Awards for a total of 7,705,000 Award Shares (which, depending on the Company's performance of the Company, may be adjusted to a maximum of 19,262,500 Award Shares) to 13 Eligible Persons (who are independent of the Company and its connected persons)(the "**Employee Grantees**") pursuant to the terms of the Employee Share Award Scheme and to satisfy such Awards by the allotment and issue of new Shares to the Trustee on trust for the Employee Grantees in accordance with the terms of the Employee Share Award Scheme and under the General Mandate, conditional upon the grant of approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such new Shares.

The number of Award Shares granted to each Employee Grantee is determined with reference to the relevant Employee Grantee's position within the Group.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the 19,262,500 new Shares which may be issued and allotted to the Trustee on trust for the Employee Grantees.

The said 19,262,500 new Shares shall be allotted and issued at par value to the Trustee by the Company. The Company will bear the cost of such issue and no new funds will be raised.

Vesting Conditions

The Award Shares shall vest on the Employee Grantees according to the overall achievement of the Company's corporate business plan for the Performance Period, which shall be based on Group's average annual appraisal results by the end of the Performance Period with reference to the key performance measures and targets as the Board may determine from time to time.

The Final Award Shares to be vested on the Employee Grantees is further subject to adjustment at the absolute discretion of the Remuneration Committee based on the Company's relative performance after taking into account, among other things, the average annual growth of the Group over the Performance Period and the Company's ranking among peer companies.

Vesting Schedule

Upon fulfilment of the vesting conditions during the Performance Period and the determination of the number of Final Award Shares to be vested, the Final Award Shares shall vest on the Employee Grantees as follows:

Percentage of Final Award

Shares to be vested

Date of vesting

50%	on or before 30 June 2017 (after the publication of 2016 annual results by the Company)
25%	2 January 2018
25%	2 January 2019

The maximum number of 19,262,500 Award Shares which may be issued and allotted to the Trustee on trust for the Employee Grantees represent (a) approximately 2.41% of the maximum number of Shares that can be issued and allotted under the General Mandate; and (b) approximately 0.24% of the total issued Shares as at the date of this announcement. As the allotment and issue of the said 19,262,500 new Shares shall be funded by the Company's internal financial resources, the Company will not raise any funds for such issue.

At the date of this announcement, (i) the Company has not issued any Shares under the General Mandate; (ii) the Company has not engaged in any capital fund raising activities in the preceding 12 months; (iii) the closing price of the Shares of the Company was HK\$1.85 per Share; and (iv) the average closing price of the Shares of the Company for the five preceding Business Days was HK\$1.754 per Share.

EFFECT OF THE PROPOSED ISSUE ON THE SHAREHOLDING OF THE COMPANY

The share capital and shareholding structure of the Company at the date of this announcement and immediately upon the Proposed Issue (assuming that (1) there are no other changes to the shareholding structure of the Company from the date of this announcement up to the date of the Proposed Issue and (2) the maximum number of Award Shares are vested on the Employee Grantees and the Connected Grantees) are as follows:

	Shareholding as at the date of this announcement		Shareholding immediately upon the Proposed Issue	
	<i>Number of issued Shares</i>	<i>Approximate percentage of issued Shares (%)</i>	<i>Number of issued Shares</i>	<i>Approximate percentage of issued Shares (%)</i>
Substantial shareholders				
Ms. Loletta CHU	4,585,395,005 ⁽¹⁾	57.30	4,585,395,005 ⁽¹⁾	56.86
HSBC International Trustee Limited	4,583,545,484 ⁽²⁾	57.28	4,583,545,484 ⁽²⁾	56.84
Bosrich Holdings (PTC) Inc.	4,583,545,484 ⁽²⁾	57.28	4,583,545,484 ⁽²⁾	56.84
Shui On Company Limited	4,583,545,484 ⁽²⁾	57.28	4,583,545,484 ⁽²⁾	56.84
Mr. Vincent LO	4,583,395,005 ⁽³⁾	57.30	4,585,395,005 ⁽¹⁾	56.86
Directors				
Mr. Vincent LO	4,583,395,005 ⁽³⁾	57.30	4,585,395,005 ⁽¹⁾	56.86
Dr. William K. L. FUNG	5,511,456	0.06	5,511,456	0.06
Professor Gary C. BIDDLE	305,381	0.004	305,381	0.004
Sir John R. H. BOND	250,000	0.003	250,000	0.003
Dr. Roger L. McCARTHY	200,000	0.002	200,000	0.002
Mr. Daniel Yim Keung WAN	—	—	8,560,000	0.11
Mr. Philip Kun To WONG	—	—	5,497,500	0.07
Connected Grantees who are not Directors	—	—	28,815,000	0.36

	Shareholding as at the date of this announcement		Shareholding immediately upon the Proposed Issue	
	<i>Number of issued Shares</i>	<i>Approximate percentage of issued Shares (%)</i>	<i>Number of issued Shares</i>	<i>Approximate percentage of issued Shares (%)</i>
Public Shareholders				
Employee Grantees	—	—	19,262,500	0.24
Other shareholders	<u>3,411,913,868</u>	<u>42.64</u>	<u>3,411,913,868</u>	<u>42.31</u>
Total	<u>8,001,726,189</u>	<u>100.00</u>	<u>8,063,861,189</u>	<u>100.00</u>

Notes:

- (1) These Shares comprised 1,849,521 Shares beneficially owned by Ms. Loletta Chu (“**Mrs. Lo**”) and 4,583,545,484 Shares in which Mr. Vincent Lo, the spouse of Mrs. Lo, had a deemed interest under Part XV of the SFO as mentioned in note (2) below. Accordingly, Mrs. Lo was also deemed to be interested in 4,583,545,484 shares under Part XV of the SFO.
- (2) These Shares were held by Shui On Company Limited (“**SOCL**”) through its controlled corporations, comprising 1,198,103,792 Shares, 1,446,988,826 Shares, 183,503,493 Shares, 29,847,937 Shares, 573,333,333 Shares, 708,448,322 Shares, 150,000,000 Shares and 293,319,781 Shares held by Shui On Properties Limited (“**SOP**”), Shui On Investment Company Limited (“**SOI**”), Chester International Cayman Limited (“**Chester International**”), New Rainbow Investments Limited (“**NRI**”), Lanvic Limited (“**Lanvic**”), Boswell Limited (“**Boswell**”), Merchant Treasure Limited (“**Merchant Treasure**”) and Doreturn Limited (“**Doreturn**”) respectively whereas SOP, Chester International, Lanvic, Boswell, Merchant Treasure and Doreturn were all wholly-owned subsidiaries of SOI. NRI was a wholly-owned subsidiary of SOCAM Development Limited which in turn was held by SOCL as to 48.38%. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich Holdings (PTC) Inc. (“**Bosrich**”). The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Vincent Lo was a discretionary beneficiary and HSBC International Trustee Limited (“**HSBC Trustee**”) was the trustee. Accordingly, Mr. Vincent Lo, Mrs. Lo, Bosrich and HSBC Trustee were deemed to be interested in such shares under Part XV of the SFO.
- (3) These Shares comprised 1,849,521 Shares beneficially owned by Mrs. Lo and 4,583,545,484 Shares in which Mrs. Lo, the spouse of Mr. Vincent Lo, had a deemed interest under Part XV of the SFO as mentioned in note (2) above.

Ranking

All the Award Shares to be issued pursuant to the Grants, when issued and fully paid, will rank pari passu in all respects with all existing Shares presently in issue and at the time of allotment and issue of the said Award Shares.

Public Float

Assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement up to the date of the Proposed Issue, the Company will be able to comply with public float requirement under the Listing Rules immediately after the Proposed Issue.

BOARD OPINION

The Directors (excluding the members of the Independent Board Committee whose views will be set out in the circular to be despatched to the Shareholders together with the opinion of Investec after receiving advice from Investec) are of the view that the terms of the Proposed Connected Issue are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since each of the Connected Grantees are connected persons of the Company by virtue of being a director of member(s) of the Group, the Proposed Connected Issue constitute connected transactions of the Company under the Chapter 14A of the Listing Rules which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, a closely allied group of Shareholders, in aggregate holds 4,583,545,484 Shares, representing approximately 57.28% in the issued Shares, at the date of this announcement.

So far as the Company is aware, none of the Shareholders is materially interested in the Proposed Connected Issue and, as such, no Shareholder is required to abstain from voting if a general meeting of the Company was convened to approve the Proposed Connected Issue. Written approval by Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, a closely allied group of Shareholders who collectively hold in aggregate 4,583,545,484 Shares (representing approximately 57.28% in the issued Shares) at the date of this announcement, has been obtained by the Company for the purposes of approving the Proposed Connected Issue in lieu of an approval

from the Shareholders at a Shareholders' meeting. Pursuant to Rule 14A.37 of the Listing Rules, an application has been made by the Company to the Stock Exchange for a waiver from the requirement for the Company to convene a Shareholders' meeting, on the basis that the Proposed Connected Issue has been approved by the written approval of a closely allied group of Shareholders.

The Independent Board Committee has been established to give recommendations to the Independent Shareholders on the Proposed Connected Issue. Investec has been appointed by the Company as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. A circular containing, among other things, (i) further details of the Proposed Connected Issue; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice from Investec to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the extraordinary general meeting of the Company to be held for considering and approving, if appropriate, the Proposed Connected Issue (if required), will be despatched to the Shareholders on or before 27 April 2015.

GENERAL INFORMATION

The Company through its subsidiaries and associates is one of the leading property developers in the PRC. The Group principally engages in the development, sale, leasing, management and long-term ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Adoption Date”	1 April 2015, being the date on which the Board adopted the Schemes;
“Award”	an award granted by the Remuneration Committee to Selected Participants pursuant to the terms of the Employee Share Award Scheme or the Connected Employee Share Award Scheme (as the case may be);
“Award Shares”	Shares granted to a Selected Participant in an Award pursuant to the terms of the Employee Share Award Scheme or the Connected Employee Share Award Scheme (as the case may be);

“Board”	the board of Directors of the Company;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (Stock code: 272);
“Connected Employee Share Award Scheme”	the share award scheme adopted by the Company on 1 April 2015 for chief executive officers, directors or employees of any member of the Group (other than China Xintiandi Limited, Pat Davie (China) Limited, 瑞安建築有限公司 (Shui On Construction Co., Ltd.*) and their respective subsidiaries) who are connected persons of the Company;
“Connected Grantee(s)”	has the meaning given to it under the section headed “Grant and issue of Award Shares pursuant to the Schemes — (A) Grant of Award Shares pursuant to the Connected Employee Share Award Scheme” of this announcement;
“connected person(s)”	has the meaning given to it under the Listing Rules;
“Director”	director of the Company;
“Eligible Person”	(i) in the case of the Connected Employee Share Award Scheme, any individual being an existing chief executive officer, director or employee of any member of the Group (other than China Xintiandi Limited, Pat Davie (China) Limited, 瑞安建築有限公司 (Shui On Construction Co., Ltd.*) and their respective subsidiaries) who is a connected person of the Company, and (ii) in the case of the Employee Share Award Scheme, any individual being an employee or officer of any member of the Group (other than China Xintiandi Limited, Pat Davie (China) Limited, 瑞安建築有限公司 (Shui On Construction Co., Ltd.*) and their respective subsidiaries) or such other persons as selected by the Remuneration Committee (excluding chief executive officers, directors or employees of any member of the Group who are connected persons of the Company);

“Employee Grantees”	has the meaning given to it under the section headed “Grant and issue of Award Shares pursuant to the Schemes — (B) Grant and issue of Award Shares pursuant to the Employee Share Award Scheme and the General Mandate” of this announcement;
“Employee Share Award Scheme”	the share award scheme adopted by the Company on 1 April 2015 for employees of any member of the Group (other than China Xintiandi Limited, Pat Davie (China) Limited, 瑞安建築有限公司 (Shui On Construction Co., Ltd.*) and their respective subsidiaries)(excluding chief executive officers, directors or employees of any member of the Group who are connected persons of the Company);
“Final Award Shares”	has the meaning given to it under the section headed “Grant and issue of Award Shares pursuant to the Schemes — (A) Grant of Award Shares pursuant to the Connected Employee Share Award Scheme” of this announcement;
“General Mandate”	the general mandate of the Company in force from time to time;
“Grants”	collectively, (i) the grant of Awards for a total of 17,149,000 Award Shares (which, depending on the performance of the Company, may be adjusted to a maximum of 42,872,500 Award Shares) to the Connected Grantees pursuant to the Connected Employee Share Award Scheme and (ii) the grant of Awards for a total of 7,705,000 Award Shares (which, depending on the performance of the Company, may be adjusted to a maximum of 19,262,500 Award Shares) to the Employee Grantees pursuant to the Employee Share Award Scheme;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Board Committee”	the committee of the Board comprising Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW, each being an independent non-executive Director, formed to advise the Independent Shareholders on whether the terms of the Proposed Connected Issue are fair and reasonable;
“Independent Shareholders”	the Shareholders who are not prohibited from voting under the Listing Rules to approve the Proposed Connected Issue;
“Investec”	Investec Capital Asia Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Connected Issue;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Vincent Lo”	Mr. Vincent H. S. LO, the Chairman and executive Director of the Company;
“Performance Period”	being the period commencing on 1 January 2014 and expiring on 31 December 2016;
“Proposed Connected Issue”	the proposed issue of, in aggregate, a maximum of 42,872,500 new Shares to satisfy Awards granted to the Connected Grantees pursuant to the Connected Employee Share Award Scheme as resolved by the Board on 1 April 2015;
“Proposed Issue”	the proposed issue of, in aggregate, a maximum of 62,135,000 new Shares to satisfy the Grants;
“Purchased Shares”	has the meaning given to it in the section headed “Summary of the Schemes — Settlement of Awards” of this announcement;
“Remuneration Committee”	the remuneration committee of the Company as designated by the Board from time to time to decide and approve the implementation of the Schemes;

“Schemes”	the Employee Share Award Scheme and the Connected Employee Share Award Scheme;
“Selected Participant”	any Eligible Person approved for participation in the Schemes by the Remuneration Committee;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	holders of the Shares;
“Shares”	ordinary shares of nominal value US\$0.0025 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribed Shares”	has the meaning given to it in the section headed “Summary of the Schemes — Settlement of Awards” of this announcement;
“Trust Deeds”	the trust deeds dated 1 April 2015 entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time) in relation to the Employee Share Award Scheme and the Connected Employee Share Award Scheme, respectively;
“Trustee”	the trustee appointed by the Company for the purpose of the Trusts, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong;
“Trusts”	the trusts constituted by the Trust Deeds to service the Schemes;
“Vesting Date(s)”	the dates, as determined from time to time by the Remuneration Committee, on which the Award is to vest in the relevant Selected Participant as set out in the relevant award letter or otherwise determined by the Remuneration Committee at its absolute discretion pursuant to the terms of the Schemes;

**“Written Approval
Waiver”**

the waiver from the requirement to convene a Shareholders’ meeting on the basis that the Proposed Connected Issue has been approved by the written approval by Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, a closely allied group of Shareholders, pursuant to Rule 14A.37 of the Listing Rules; and

“%”

per cent.

By Order of the Board
Shui On Land Limited
Vincent H. S. LO
Chairman

Hong Kong, 1 April 2015

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Daniel Y. K. WAN and Mr. Philip K. T. WONG; the non-executive director of the Company is Mr. Frankie Y. L. WONG; and the independent non-executive directors of the Company are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.